

# Idaho Grain Market Report, February 13, 2020—NEW CROP PRICES

Published weekly by the Idaho Barley Commission

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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday February 12, 2020. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED  48 lbs or better</b>	<b>MALTING  Open Market Malting</b>	<b>Wheat (bu.) Milling  #1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Rexburg / Ririe	5.75		4.50	4.75		
Idaho Falls		8.30-8.33	4.60	5.00	5.10	4.80
Blackfoot / Pocatello		7.06	4.60	5.00	5.10	4.80
Grace / Soda Springs	7.00			4.84	5.30	4.89
Burley / Rupert	6.50		4.68	4.79	4.98	4.89
Twin Falls / Buhl Jerome / Wendell						
Nampa / Weiser			NA			
Nezperce / Craigmont	5.21		5.35	5.30	6.15	
Lewiston	5.73		5.61	5.56	6.41	
Moscow / Genesee	5.24-5.43		5.38-5.50	5.33-5.45	6.18-6.30	

## Prices at Selected Terminal Markets, cash FOB

Wednesday February 12, 2020. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>#2 Feed Barley 46 lbs. --</b>	<b>Malting Barley</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			6.20-6.25	6.19-6.24	6.67-7.02	
Ogden	7.80		4.80	4.94	5.40	4.99
Great Falls	4.50-6.50	8.15-8.60		4.90-5.04	5.31-5.53	
Minneapolis					6.41-6.66	

## Market News and Trends This Week

**BARLEY**—Idaho cash feed barley prices were unchanged for the week ending February 12. Idaho cash malt barley prices were unchanged for the week. For the period January 31– February 6, USDA FAS reported for no net barley sales for 2019/2020. Exports of 1,000 MT to Japan (900 MT) and Taiwan (100 MT) were down 21 percent from the prior week but up 14 percent from the previous 4 week average.

**Barley News**—According to USDA's latest forecast, Saudi Arabia's implementation of the long-anticipated import policy changes could mean the world's biggest barley buyer loses this position to China as early as the next marketing year. The world's biggest barley importer, Saudi Arabia, will import 6 million MT of barley in the 2020/21 marketing year which begins July 1, according to the update from the USDA's office in Riyadh. However, Saudi Arabia could be replaced as the world's biggest barley importer. USDA figures for China's annual imports average around 6.8 million MT over the previous five years. USDA forecasts have China's 2019/20 marketing year imports at 6.5 million MT, although it is yet to issue an estimate for 2020/21. Cutting barley imports has long been an aim of Saudi Arabia's government, with the USDA estimating it spent \$1.5 billion in animal feed subsidies in 2018 – two-thirds of it on barley. Looking to lower its subsidy bill, state grain monopoly SAGO increased domestic barley sale prices last month, as part of a wider plan to end all support to the sector and to privatize the market. Subsidies were also halted for other feed grains, including corn and soymeal, while subsidies for forage crops were boosted to support the development of a domestic dairy and livestock industry.

**See a recap of the USDA World Agricultural Supply and Demand Estimates (WASDE) February 11, 2020 report on page 4.**

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## Market News and Trends This Week—continued

**WHEAT**—Idaho cash wheat prices were mixed for the week ending February 12. SWW prices ranged from down \$0.20 to down \$0.05 from the previous week; HRW prices were down \$0.16 to up \$0.01; DNS prices were down \$0.07 to up \$0.70; and HWW prices were down \$0.18 to down \$0.10. USDA FAS reported net sales for 2019/2020 for the period January 31– February 6 at 643,100 MT, up 90 percent from the prior week and up 10 percent from South Korea (91,100 MT), Vietnam (81,000 MT), and Mexico (79,200 MT). Exports of 506,300 MT were up 25 percent from the previous week and up 26 percent from the prior 4-week average.

**Wheat News**—Protests over a natural gas pipeline in Canada are threatening to spill into the grain industry, with blockades at key logistical hubs starting to disrupt rail flows and delaying loading at export terminals. Indigenous and environmental activists have staged sporadic protests across the country since last week, disrupting rail and port activity. The protests stem from the construction of the 670 km Coastal Gaslink natural gas pipeline, a CAD6.6 billion (\$5 billion) project that is set to cross across Wet'suwet'en land in British Columbia as part of a wider CAD40 billion liquified natural gas export plan. Initially focused on halting pipeline construction, actions escalated across the country as police moved in to break up protests earlier this week. Unrest has now been reported at railways, highways and ports in seven provinces, with hundreds of cargo and passenger trains affected by action that has targeted the railway network. While disruption at Canada's main grain export hub has been halted, the ability of relatively small groups of activists to cause disruption has highlighted the fragility of logistical networks. It has left grain industry groups fretting over further action, as well as the knock-on effects caused by delays that could limit exporters' ability to fulfill contracts as vessels wait in port without cargoes. There are 39 vessels waiting at the Port of Vancouver with another eight at Prince Rupert, according to data from the Alberta Wheat and Barley Commissions. Canada has already suffered the effects of a week-long railway strike. One of the world's biggest agriculture producers, Canada, is set to export around 32 million mt of wheat and 10 million mt of rapeseed this year, according to the USDA.

**CORN**—USDA FAS reported net export sales for 2019/2020 for period January 31– February 6 of 968,800 MT, increases were primarily to Japan (383,000 MT), South Korea (193,500 MT), Colombia (110,700 MT), Saudi Arabia (61,700 MT), and Mexico (52,600 MT). Exports of 782,800 MT were to Mexico (228,700 MT), Japan (203,800 MT), Colombia (189,700 MT), Saudi Arabia (61,700 MT), and El Salvador (29,600 MT).

**Ethanol Corn Usage**—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending February 7 averaged 1.033 million bbls/day – up 4.44 percent from the previous week and up 0.39 percent from last year. Total ethanol production for the week was 7.231 million barrels. Ethanol stocks were 24.358 million bbls on February 7, up 3.77 percent from last week and up 3.80 percent from last year. An estimated 103.67 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 2.36 billion bu. Corn used needs to average 102.866 million bu per week to meet USDA estimate of 5.375 billions bu for the crop year.

## Futures Market News and Trends—Week Ending February 13, 2020

### FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, February 13, 2020:

Commodity	March 2020	Week Change	May 2020	Week Change	July 2020	Week Change	Sept 2020	Week Change
CHI SRW	\$5.44 <sup>1</sup> / <sub>4</sub>	-\$0.14 <sup>1</sup> / <sub>2</sub>	\$5.44 <sup>3</sup> / <sub>4</sub>	-\$0.12	\$5.44 <sup>1</sup> / <sub>2</sub>	-\$0.12 <sup>1</sup> / <sub>2</sub>	\$5.50 <sup>1</sup> / <sub>2</sub>	-\$0.11 <sup>3</sup> / <sub>4</sub>
KC HRW	\$4.66	-\$0.06 <sup>1</sup> / <sub>2</sub>	\$4.72 <sup>3</sup> / <sub>4</sub>	-\$0.05 <sup>3</sup> / <sub>4</sub>	\$4.79	-\$0.06 <sup>1</sup> / <sub>4</sub>	\$4.86 <sup>3</sup> / <sub>4</sub>	-\$0.06 <sup>1</sup> / <sub>4</sub>
MGE DNS	\$5.26 <sup>3</sup> / <sub>4</sub>	-\$0.09	\$5.36 <sup>1</sup> / <sub>4</sub>	-\$0.09 <sup>1</sup> / <sub>4</sub>	\$5.44 <sup>1</sup> / <sub>4</sub>	-\$0.10	\$5.53 <sup>1</sup> / <sub>4</sub>	-\$0.09 <sup>1</sup> / <sub>2</sub>
CORN	\$3.79 <sup>1</sup> / <sub>2</sub>	-\$0.04	\$3.84 <sup>3</sup> / <sub>4</sub>	-\$0.03 <sup>3</sup> / <sub>4</sub>	\$3.88 <sup>3</sup> / <sub>4</sub>	-\$0.03 <sup>1</sup> / <sub>2</sub>	\$3.87 <sup>1</sup> / <sub>2</sub>	-\$0.02

**WHEAT FUTURES**—Wheat futures prices were down for the market week ending February 13. **Wheat futures prices were down \$0.14<sup>1</sup>/<sub>2</sub> to down \$0.02 (per bu) compared to the previous week.**

**CORN FUTURES**—Corn futures prices were down with lower export sales according to the export data from USDA to end the market week February 13. **Corn futures prices ranged from down \$0.04 to down \$0.02 (per bu) under the previous week.**

**CRUDE OIL FUTURES**—Crude prices have headed higher but the gains could prove to be short-lived. OPEC has revised its growth forecast for 2020, we could see crude break below the \$50 level.

EIA reported U.S. crude oil refinery inputs averaged 16.0 million bbls/day during the week ending February 7, 2020 was 48,000 bbls/day more than last week's average. Refineries operated at 88% of capacity last week. As of February 7, there was an increase in Crude Oil stocks of 7.459 million bbls from last week to 442.468 million bbls, under the 5-year average of 451.079 million bbls. Distillate stocks decreased by 2.013 million bbls to a total of 141.222 million bbls, under the 5-year average of 148.282 million bbls; while gasoline stocks decreased by 0.095 million bbls to 261.049 million bbls, over the 253.652 million bbl 5-year average. The national average retail regular gasoline price was \$2.419 per gallon on February 10, \$0.036 lower than last week's price but \$0.143 over a year ago. The national average retail diesel fuel price was \$2.910 per gallon, down \$0.046 per gallon from last week's level and down \$0.056 from a year ago.

**NYMEX Crude Oil Futures finished the week ending Thursday, February 13, 2020 to close at \$51.42/bbl (February contract), up \$1.10 for the week.**

## USDA Crop Progress / Condition Report—Next Report April 6, 2020

The first USDA Crop Progress/Condition Report for 2020 will be released April 6, 2020.

### U.S. Drought Monitor by the National Drought Mitigation Center—February 13, 2020

#### National Drought Summary for February 13, 2020:

**Northeast**— Abnormal dryness has been eliminated in the Northeast.

**Southeast**— Abnormal dryness eliminated along the Carolinas Coast, southern Georgia, southwestern Alabama, as well as the Florida panhandle. Abnormal dryness was expanded into much of the northern Florida Peninsula.

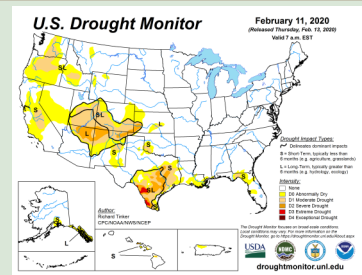
**South**— Abnormal dryness eliminated in parts of southeastern Louisiana and southernmost Mississippi. Most of the Gulf Coast still experiencing abnormal dryness. Rainfall eliminated almost all dryness in western Louisiana and southwestern Arkansas and improved dryness in in eastern Texas. Dryness was intensified in central and southern Texas. Severe drought covers large areas of central and southwestern Texas.

**Midwest**— No drought or abnormal dryness in the Midwest this week.

**High Plains**— Expansion of abnormal dryness to severe drought expanded in western Kansas and eastern Colorado. Removal of drought in southwestern Wyoming.

**West**—Abnormal dryness only in the central part of Idaho. Dryness and drought intensified in Nevada and California.

**Looking Ahead**— Weather patterns are expected to about the same as last week. Rainfall from southeast Louisiana to the Upper Ohio River Valley and from east central Mississippi through northwest Alabama, central Tennessee, and southeast Kentucky.



### USDA U.S. Crop Weather Highlights—February 13, 2020

**West**—Warm weather across much of California, the Great Basin, and parts of the interior Northwest. Chilly conditions across the central and southern Rockies. Snow has not fallen in a month in the Sierra Nevada leaving snowpack less than 60% of February average.

**Plains**—Very cold, dry conditions. A few areas of light snow in the northern and central High Plains. Morning temperatures in northeastern Arkansas fell to 0 degrees and plunged to 20 below freezing in the Red River Valley of the North.

**Corn Belt**— Cold, breezy weather across the upper Midwest resulting in low windchill temperatures and increased stress livestock. Temperatures of 20 below zero were reported in eastern North Dakota and northern Minnesota. Temperatures were below zero as far south as northern Missouri. Light snow across much of the eastern Corn Belt.

**South**— Showers and thunderstorms from the Appalachians southward to the Gulf Coast. Lowland flooding from the Mississippi Delta westward. Minor to moderate flooding from northeastern Texas into the Tennessee and Lower Mississippi Valleys.

**Outlook for U.S.**— Lowland flooding and muddy conditions for several days across the South. Rainfall across the Northwest. Dry conditions from central and southern California to the southern Plains. Snow will develop across the North Plains and move eastward across the nation's northern tier. The NWS 6-10 outlook for February 1-22 calls for near or below normal temperatures in northern New England and west of the Mississippi River. Warmer than normal conditions in much of the East. Wetter than normal conditions in the Pacific Northwest, and southern section of the Rockies and Plains.

### International Crop Weather Highlights—February 11, 2020

**Europe**—Rainfall eased dryness concerns in Germany and the southern Balkans. Adequate moisture reserves maintained for dormant winter wheat and rapeseed in northern Europe. Reduced moisture reserves in Spain and Italy. Warm temperatures kept northern and eastern Europe snow free.

**Middle East**— Rainfall in Turkey boosted moisture reserves for dormant winter wheat and barley.

**Asia**— Sunny, cool conditions benefited reproductive wheat and rapeseed in northern India. Rainfall in eastern China boosted moisture reserves for overwintering rapeseed and wheat. Showers across Java, Indonesia continued to benefit rice but not lighter than normal for palm oil in Indonesia and Malaysia.

**Australia**—Rainfall in the east but too late to improve the yield prospects of dryland cotton and sorghum.

**South America**— Warm, dry conditions hastened soybean maturation in southern Brazil. Rain beneficial elsewhere for emerging cotton and corn. Rainfall in Argentina favored summer grain, oilseed, cotton, some heat stress on late planted corn.

**South Africa**— Warm, wet conditions maintained favorable prospects for corn and other summer crops advancing through production.

**Northwestern Africa**—Dry conditions across the region, increasing drought concerns in Morocco. Increased short term dryness in eastern Algeria and northern Tunisia. Wheat and barley are progressing through vegetative stages of development, rain is needed to stave off yield declines.



**WHEAT:**

The February 11 **USDA WASDE** outlook for 2019/20 U.S. wheat is for stable supplies, increased exports, and decreased ending stocks. The only supply or use category that was changed this month was a 25 million bushel increase in exports reflecting growing competitiveness in international markets. Ending stocks are cut by a corresponding amount and are now forecast to total 940 million bushels, a five-year low.

Global wheat supplies are lowered fractionally on small and mostly offsetting changes to beginning stocks and production. World exports are increased 1.8 million tons led by a 1.0- million-ton increase for the EU on strong shipments and more competitive prices. Kazakhstan is raised 0.8 million tons, also on a fast export pace. United States is increased 0.7 million tons and is projected to have the largest exports in three years. Partly offsetting are export reductions of 0.5 million tons for Canada and 0.3 million tons for Pakistan. World imports for 2019/20 are raised 1.9 million tons led by a 0.8-million-ton increase for China and a 0.7-million-ton increase for Turkey, both on a strong pace to date. There are also several historical revisions for trade, consumption, and ending stocks reflecting updated export data, particularly for Pakistan. For the 2019/20 market year, global consumption and ending stocks are lowered fractionally though world ending stocks remain record large.

**COARSE GRAINS:**

This month's **WASDE** 2019/20 U.S. corn outlook is little changed relative to last month, with offsetting changes to exports and corn used for ethanol. Exports are lowered 50 million bushels, reflecting the slow pace of shipments through January. Offsetting is a 50 million bushel increase in corn used for ethanol, based on Grain Crushings and Co-Products Production data through December and the robust pace of weekly ethanol production data as reported by the Energy Information Administration during the month of January. With no other use changes, U.S. corn ending stocks are unchanged from last month. The season average corn price received by producers is also unchanged at \$3.85 per bushel.

Global coarse grain production for 2019/20 is projected 0.9 million tons higher to 1,402.7 million. This month's foreign coarse grain outlook is for larger production and consumption, and lower stocks relative to last month. Global corn production is raised 0.8 million tons, with increases for South Africa, Moldova, and Ukraine more than offsetting a reduction for Vietnam. For South Africa, production is higher as timely rainfall during the month of January improves yield prospects.

Major global trade changes for 2019/20 include higher projected corn exports for South Africa, Ukraine, and the EU, with a largely offsetting reduction for the United States. Corn imports are raised for Turkey and Brazil, with the latter reflecting larger-than-expected shipments to livestock production areas in the southern part of the country. Foreign corn ending stocks are down from last month, mostly reflecting reductions for Vietnam, Brazil, Paraguay, and the EU. Global corn ending stocks, at 296.8 million tons, are down 1.0 million from last month.

**BARLEY:**

The February 11 report shows the outlook for 2019/20 U.S. barley supplies unchanged since January at 264 million bushels. With projected yield and production also unchanged, projected use up 1 million bushels to 176 million bushels, and unchanged projected imports at 8 million bushels, ending stocks are projected to be down 1 million bushels to 88 million bushels. The season-average farm price is unchanged at \$4.60 on updated NASS prices.

**OILSEEDS:**

This month's **WASDE** 2019/20 U.S. soybean outlook is for increased exports and lower ending stocks. Soybean exports for 2019/20 are projected at 1.825 billion bushels, up 50 million from last month partly reflecting increased imports for China. With soybean crush unchanged, soybean ending stocks are reduced 50 million bushels to 425 million.

The U.S. season-average soybean price for 2019/20 is forecast at \$8.75 per bushel, down 25 cents reflecting reported prices to date. The soybean oil price forecast is lowered 0.5 cents to 33.5 cents per pound. The soybean meal price forecast is unchanged at \$305.00 per short ton.

This month's **WASDE** 2019/20 global oilseed outlook includes higher production, trade, and stocks relative to last month. Global oilseed production is raised 2.2 million tons to 576.8 million, with higher soybean, sunflower seed, and cottonseed production. Partly offsetting is lower palm kernel production. Soybean production for Brazil is increased 2 million tons to 125 million due to favorable weather in Mato Grosso as well as improved rainfall in southern and northeastern soybean areas. Sunflower seed production is increased for Ukraine on a higher yield. Palm kernel and palm oil production are reduced for Malaysia and Indonesia on current production to date and dry weather conditions throughout the past year.

Global 2019/20 oilseed exports are raised mainly on a 2.4-million-ton increase to soybean trade. China's soybean imports are increased 3 million tons to 88 million reflecting higher soybean crush. Correspondingly, soybean exports are increased for the United States, Brazil, and Ukraine. Global soybean ending stocks are 2.2 million tons higher than last month, with higher stocks for China and Brazil.